




From: EnergyGuardian <energy@email.energyguardian.net>
Sent: Tuesday, May 13, 2014 5:58 AM
To: Coleman, Sam
Subject: DOE has more work ahead to revamp loan office, IG says

[Advertise](#) | [Contact](#)

 Energy and environment headlines for the morning of Tuesday, May 13, 2014



 **DOE has more work ahead to revamp loan office, IG says**
By Edward Felker



More than half of the planned reforms to Energy Department's controversial \$30 billion loan guarantee program have yet to be completed, an internal watchdog reported Monday, even as Secretary Ernest Moniz moves to put billions of dollars behind more renewable and fossil energy projects.

Inspector General Gregory H. Friedman, in an audit report issued Monday, said that just four of 12 changes recommended by White House consultant Herb Allison two years ago are fully in place.

Department officials contended to Friedman that two more are all but done, however, and that they are addressing the rest.

The report comes as the department has made \$8 billion in guarantees available for "clean" fossil fuel projects and are moving to make another \$4 billion available for renewable energy projects, in addition to \$30 billion in existing projects.

"The department is committed to protecting taxpayer interests while continuing to accelerate the deployment of innovative and advanced commercial-scale clean energy technologies that support jobs, protect the environment, and diversify our energy portfolio as we move toward a low carbon energy future," said Dawn Selak, a department spokeswoman.

"Today's report shows that the department's Loan Programs Office has taken the Allison report seriously and addressed its recommendations."

Friedman said his office started the audit in response to a complaint that the department has not fully met a recommendation by Allison that officials take steps to improve internal oversight of the program.

That complaint could not be substantiated, Friedman said. But he also found the department has yet to fully complete work on the other eight recommendations made by Allison in January, 2012, though he acknowledged "substantial progress" to date.

Allison was hired by the White House to audit the loan program after the bankruptcy of the solar company Solyndra the previous year, at a cost of \$528 million to the taxpayer, which caused an uproar among Republican lawmakers in Congress.

Friedman concluded that he could not determine how effective the ongoing reforms would be in meeting Allison's recommendations. He called for stronger internal controls, and more protections to safeguard taxpayer money, among others.

Among the missing actions, Friedman said, are the lack of comprehensive action plan and a process to settle differences of opinion among officials, and the lack of an external oversight advisory board.

Friedman also noted that a potential conflict of interest related to a portfolio manager sitting on the program's risk committee was discovered, which the department resolved.

The report is the latest by Friedman that call for more work to avoid the loss of taxpayer dollars and increased transparency. He recommended the department create the action plan, put in place detailed policies and set up a formal process to settle differences.

In a response letter, Executive Director Peter Davidson largely agreed with Friedman's recommendations, but challenged some of his findings.



Quick Links

Pipeline, energy bill backers vow to keep up fight

Charges brought in Quebec railway disaster

Oil little changed as China data, Ukraine weighed

Tioga well continues leaking oil days after spill

Texas regulators await new info before tackling tremors

Lawmaker: Washington state coal plan hurts Montana

Solar industry seeks to salvage Mo. rebate effort

Study: ND oil worker death rate 6 times US average

Wyoming teams with industry on LNG report

Fla. Gov. and Cabinet asked to OK nuclear plant

SC's Sanford attending offshore energy tour in Gulf

GOP energy goals didn't die with efficiency bill

As Keystone XL stalls, Canada looks to export elsewhere

Soaring temps push power usage in California

PJM demand response changes get nod from FERC

Toyota drops Tesla partnership, looks to fuel cell tech

Efficiency improvements boosting rig output, production: EIA

House committee asks to examine SPR

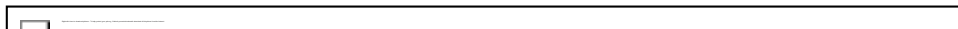
Troy Jackson in Maine is green group's 1st Dem target

GE breaks ground on new Okla City tech center

SC gasoline spill at pipeline pumping station

China breaking gas pipe monopoly

Upcoming Events



Pipeline, energy bill backers vow to keep up fight

By The Associated Press

WASHINGTON (AP) — Supporters of a popular energy savings bill and the controversial Keystone XL oil pipeline say they will keep trying to force Senate action on the measures, even after they were defeated amid partisan gridlock in the Senate.

The energy legislation would tighten efficiency guidelines for new federal buildings and provide tax incentives to make homes and commercial buildings more efficient. The pipeline measure would force a decision by President Barack Obama on the long-delayed project to carry oil from Canada to the United States.

Both proposals fell victim to election-year politics Monday night, as a procedural motion to end debate on the energy bill without amendments fell five votes short of the 60 votes needed for approval. The demise of the energy bill also sealed the fate of the pipeline measure. Senate Democratic leaders said the pipeline vote could occur only after Senate action on an unamended energy bill.

Sen. Mary Landrieu, a Louisiana Democrat who has pushed for the Keystone XL pipeline, took to Twitter within minutes of the Senate vote, vowing, "The fight for #KeystoneXL continues."

Landrieu said the procedural defeat was "just the latest skirmish" in a long battle to approve the pipeline, which would carry oil derived from tar sands in western Canada to Nebraska, where it would connect with existing pipelines to bring oil to the Texas Gulf Coast, near the Louisiana line. "I've been in a lot of battles — and the ones that matter the most to people back home are the toughest," Landrieu said.

The chief sponsors of the energy savings bill, Sens. Jeanne Shaheen, D-N.H., and Rob Portman, R-Ohio, also vowed to keep up efforts to pass their bill, which they have been working on for more than three years.

More

Charges brought in Quebec railway disaster

By Rob Gillies

TORONTO (AP) — Three employees of the insolvent railway company involved in last summer's runaway oil train disaster that killed 47 people are due to appear in court Tuesday to face criminal negligence charges in the small Quebec town that was partially incinerated by exploding tanker cars.

The charges come about 10 months after more than 60 of the tankers carrying oil from North Dakota came loose in the middle of the night, sped downhill for nearly seven miles (11 kilometers) and derailed in the town of Lac-Megantic in eastern Quebec. At least five of the tankers exploded, leveling about 30 buildings, including a popular bar that was filled with revelers last July 6.

The Quebec provincial prosecutor's office said 47 counts of criminal negligence have been filed against engineer Thomas Harding, manager of train operations Jean Demaitre, and Richard Labrie, the railway's traffic controller, as well as against the Montreal, Maine and Atlantic Railway Ltd., the defunct railway at the heart of the disaster. The charges represent one count for each person killed and are the first criminal charges brought in the disaster. Criminal negligence that causes death can result in a jail sentence of up to life imprisonment in Canada.

Rene Verret, a spokesman for the prosecutor, said the three railway employees were arrested late Monday afternoon. They are scheduled to appear in court on Tuesday in Lac-Megantic. A message left at MM&A offices was not immediately returned.

Quebec's director of criminal and penal prosecutions had begun a review of the file in late March. Prosecutors said in a statement that they elected to file the charges after an analysis of the evidence gathered at the scene. The railroad blamed the engineer for failing to set enough brakes, allowing the train to begin rolling toward the lakeside town of 6,000.

Harding had left the train unattended overnight to sleep at a local inn shortly before it barreled into Lac-Megantic, devastating the downtown bar area and forcing a third of the town's residents to flee.

[More](#)

Oil little changed as China data, Ukraine weighed

By The Associated Press

The price of oil was little changed Tuesday as signs of slower growth in China were tempered by ongoing tensions over Ukraine.

Benchmark U.S. crude for June delivery was down 1 cent at \$100.58 a barrel at 0910 GMT in electronic trading on the New York Mercantile Exchange. The contract rose 60 cents to \$100.59 on Monday as traders worried about the turmoil in Ukraine and prolonged disruption of oil exports from Libya despite muted demand and plentiful supplies.

Brent crude was down 11 cents at \$107.68 a barrel on the ICE exchange in London.

Ken Hasegawa, energy market analyst at Newedge brokerage in Tokyo, said the market has been "very steady, very much in a narrow range and without direction."

He said the oil price has been fully supported by a gradual global economic recovery, tensions in Ukraine and decreasing output by OPEC to control the market. But on the other side, gains have been limited because of a lot of inventory in the U.S. and slower economic growth in China and India.

Partial economic indicators released by China for April suggested the economy was still struggling to meet the official 7.5 percent growth target for this year.

[More](#)

Tioga well continues leaking oil days after spill

By Josh Wood

WILLISTON, N.D. (AP) — An oil well near the town of Tioga continued to leak oil, gas and fracking fluid on Monday, days after authorities learned about the problem, a local official said.

Williams County emergency coordinator Mike Hallesy said he was notified Friday evening of the spill in the western North Dakota's oil patch and that the leak hadn't stopped.

The Department of Mineral Resources said the incident occurred at the Ron Burgundy 3-23-14H well, around eight miles northwest of Tioga. The well is owned by Denver-based Emerald Oil.

Hallesy said that the site's wellhead failed during hydraulic fracturing, the process of a pressurized mix of water, sand and

chemicals into a well to fracture rocks and promote the flow of oil and gas.

Alison Ritter, a public information officer with the Department of Mineral Resources, said the well is protected by a confidentiality agreement. As a result, she said, her office could disclose only the name of the well, its general location, its owner and that a spill had occurred. Information about confidential wells is withheld from the public for up to six months.

Hallesy said that a reading taken 10 feet from the wellhead showed hydrogen sulfide levels of 20 parts per million. Hydrogen sulfide at levels of 100 parts per million can be life-threatening, he said.

[More](#)

Texas regulators await new info before tackling tremors

By The Associated Press

AUSTIN, Texas (AP) — The panel that regulates the Texas oil and gas industry is waiting for more information before will accept that there are any links between increased seismic activity and drilling activity — especially hydraulic fracturing, or fracking, its executive director told lawmakers on Monday.

The Texas Railroad Commission was reviewing how it regulates wells used for storing wastewater from drilling, Milton Rister, the commission's executive director, told the Texas House Subcommittee on Seismic Activity.

Rister declined to offer specifics and gave a warning to the lawmakers.

"A knee-jerk reaction could have a negative impact on our economy because of the large role the oil and gas industry plays here," he testified at a subcommittee hearing in Austin.

The subcommittee heard testimony on whether drilling and fracking has factored in a series of more than 25 earthquakes around Azle since November. The most recent significant tremor came Jan. 28.

The commission recently created the position of staff seismologist. That seismologist, Craig Pearson, testified that he hopes to have "a definitive statement" within a year on what causes the ground to shake at the Barnett Shale in North Texas. However, Pearson also

said the may never be definite answers to the question of what has triggered the earthquakes.

[More](#)

A message from America's Natural Gas Alliance

Delivering more with natural gas. With their growing fleet of natural gas vehicles, UPS is reducing emissions in communities they serve. Think about it.

Learn more at www.thinkaboutit.org.

Lawmaker: Washington state coal plan hurts Montana

By The Associated Press

BILLINGS, Mont. (AP) — A Republican congressman from Montana said Monday that his state's power generation and mining industries would suffer under a Washington state proposal to cut carbon pollution by eliminating imports of coal-fired power.

U.S. Rep. Steve Daines called on Washington Gov. Jay Inslee to reconsider an executive order the Democrat signed in April to reduce Washington's greenhouse gas emissions. Inslee's plan includes phasing out electricity generated from burning coal, although no timeline has been established.

The vast majority of Washington's electricity comes from hydropower, with just over 13 percent coming from coal. But coal is responsible for almost 80 percent of utilities' emissions of carbon dioxide — a gas that scientists say is helping drive climate change.

Most of Washington's coal-generated electricity comes from power plants in Montana and Wyoming. By setting the goal of eliminating "coal by wire," Inslee has put himself at odds with elected officials in the two states.

"Your policy would have serious consequences for Montana jobs, the financial integrity of financial institutions and the price of electricity for families and businesses across the region," Daines wrote in a letter to Inslee. The first-term Republican lawmaker is running for U.S. Senate and met with coal industry representatives in Billings on Monday to tout his efforts on their behalf.

Solar industry seeks to salvage Mo. rebate effort

By The Associated Press

MAPLEWOOD, Mo. (AP) — Missouri's solar energy industry rallied Monday to resurrect a popular rebate program created by a 2008 renewable-energy ballot initiative that was curtailed when the state's largest utilities said they had to cease participation to avoid rate increases capped by the voter-approved law.

The Missouri Solar Energy Industries Association said its members will have to lay off thousands of workers if state lawmakers or the Missouri Public Service Commission don't fix an incentive program that provided up to \$50,000 in rebates to customers who installed solar rooftop panels. Lawmakers are now in their final week of the annual legislative session.

Association officials made the plea during a news conference with solar company owners at Schlafly Bottleworks, a Maplewood brewery that installed a solar roof several years ago to take advantage of the \$2-a-watt rebate program.

"In the midst of a recession, solar was one of the best and most exciting economic drivers in the state," association president Rick Hunter said. "Now these jobs and growth are on the brink of being lost."

Study: ND oil worker death rate 6 times US average

By Josh Wood

WILLISTON, N.D. (AP) — North Dakota has the country's highest death rate for workers in the oil, gas and mining sector, at more than six times the national average, and an even higher rate among construction workers, according to a new report from the nation's largest labor union.

The AFL-CIO report, compiled from data released by the U.S. Bureau of Labor Statistics, found that North Dakota had a rate of 104 deaths per 100,000 workers in the oil, gas and mining industry in 2012. The national average was 15.9 deaths per 100,000.

And at 97.4 deaths per 100,000 workers, the state's construction fatality rate was nearly 10 times the national rate for that industry, according to the report.

"North Dakota stands out as an exceptionally dangerous and deadly place to work," the report said.

Scott Overson, assistant area director at Occupational Safety and Health Administration's Bismarck office, said his agency has seen a "significant increase" in the number of fatalities in the oil fields or related to the industry in the past five to six years in North Dakota, which is now the second-highest oil-producing state in the country.

"Of course construction correlates along with that, obviously with the big influx of companies and workers, infrastructure has to go on as well, which is going to increase construction activities," he said Monday.

[More](#)

Wyoming teams with industry on LNG report

By The Associated Press

CHEYENNE, Wyo. (AP) — Wyoming could benefit from private development of a liquefied natural gas production and distribution system to supply mining operations, railroads and other heavy industrial users, according to a new report.

Gov. Matt Mead on Monday released the report commissioned by the state and a number of private energy companies.

It states that investing up to \$400 million to develop a liquefied natural gas system primarily serving the state's coal-producing Powder River Basin region could result in \$166 million annual fuel savings versus continued use of diesel fuel.

The report states industrial users including on-road semitrailers are now burning over 630 million gallons a year of diesel in Wyoming.

Mead announced the report in a news conference at the state Capitol in Cheyenne. He said it fits into his administration's development of a state energy policy. Wyoming is the nation's leading coal-producing state and also a top producer of natural gas and other resources.

[More](#)

Fla. Gov. and Cabinet asked to OK nuclear plant

By The Associated Press

TALLAHASSEE, Fla. (AP) — Florida Gov. Rick Scott and the three members of the Cabinet are being asked to approve two nuclear reactors for South Florida.

Scott and the state's three other elected officials on Tuesday will decide whether Florida Power & Light should be allowed to add two nuclear generators at its existing Turkey Point facility near Homestead. The project would add approximately 2,200 megawatts of power or enough for an estimated 750,000 homes.

The state's largest utility is also asking for approval of nearly 90 miles of new power lines to carry electricity from the plant.

Federal regulators must still approve the permits for the power plants before construction could begin. But state law requires state officials to vote on whether the project should be approved for construction.

SC's Sanford attending offshore energy tour in Gulf

By The Associated Press

CHARLESTON, S.C. (AP) — South Carolina Congressman Mark Sanford is visiting the Gulf of Mexico to learn more about offshore energy development.

Sanford is joining other members of Congress on Tuesday and Wednesday for a tour of an offshore oil rig and to meet with representatives of the energy industry.

Sanford says the tour will provide members a better understanding of offshore energy development.

The 1st District Republican says that offshore energy plays a role in the nation's energy future. He says that learning more is important given the debate over developing energy resources off the Eastern Seaboard.

SPONSORED LINKS

White House focuses on climate, while Senate hits Keystone snag

Check out the new Energy Brief website, which includes our weekly energy fact sheet.

[CLICK HERE TO READ THE BRIEF](#)

GOP energy goals didn't die with efficiency bill

Republicans' proposed amendments to the doomed energy efficiency bill offer a road map to the direction Senate energy efforts would take if they gained the majority in the chamber, National Journal reports.

[More](#)

As Keystone XL stalls, Canada looks to export elsewhere

Canada is planning pipelines fanning out across the country to export its tar sands oil, bypassing the U.S. as the Keystone XL project appears mired in delay, The New York Times reports.

[More](#)

Soaring temps push power usage in California

California spot power consumption has jumped to a six-year seasonal high as temperatures climbed into the 90s and may go as high as 100 in parts of the state, Bloomberg reports.

[More](#)

PJM demand response changes get nod from FERC

The Federal Energy Regulatory Commission for the most part has granted grid operator PJM Interconnection permission to make changes to its demand response program, although Commissioner John Norris dissented and Commissioner Tony Clark had some reservations, Platts reports.

[More](#)

Toyota drops Tesla partnership, looks to fuel cell tech

With its RAV4 SUV failing to take off, Toyota has announced it's dropping its partnership deal with Tesla, which makes the electric power train for the vehicle, and is turning instead to fuel cell technology, according to The New York Times, which says the Japanese automaker plans to release a fuel cell-powered sedan in California next year.

[More](#)

Efficiency improvements boosting rig output, production: EIA

More barrels of oil are coming from rigs as efficiency improvements are increasing production, which has led the Energy Information Administration to hike its projections for output from the big U.S. shale plays, climbing to 4.43 million barrels per day in June, FuelFix reports.

[More](#)

House committee asks to examine SPR

The Strategic Petroleum Reserve will likely be the topic of a House hearing, as leaders of the Energy and Commerce Committee have sent a letter to Energy Secretary Ernest Moniz asking his department to brief them on it, in the wake of the department doing a test sale in March, The Hill reports.

[More](#)

Troy Jackson in Maine is green group's 1st Dem target

The League of Conservation voters has picked out the first Democrat it's targeting in the 2014 elections, adding Maine's Troy Jackson, running in the 2nd Congressional District, to the "Dirty Dozen" list of candidates it says side against the environment, The Hill reports.

[More](#)

GE breaks ground on new Okla City tech center

General Electric was set to break ground in Oklahoma City Monday on a new technology center, where it intends to work with partner

Devon Energy to improve drilling equipment and technology, FuelFix reports.

[More](#)

SC gasoline spill at pipeline pumping station

There was a gasoline spill Monday at a South Carolina pumping station for a pipeline that runs from Louisiana to Washington D.C., run by Kinder Morgan subsidiary Plantation Pipe Line Co., The Wall Street Journal reports.

[More](#)

China breaking gas pipe monopoly

PetroChina Co., the country's largest energy company, is splitting and handing some of its gas pipelines to a subsidiary to be sold off in the future, The Wall Street Journal reports.

[More](#)

Upcoming Events

- May. 13, Washington: Senate Environment and Public Works Water and Wildlife Subcommittee hearing, "Solving the Problem of Polluted Transportation Infrastructure Stormwater Runoff." Witnesses to be announced. 3:00 pm , Dirksen 406.
- May. 13, Washington: Senate Energy and Natural Resources Committee hearing on nomination of Suzette M. Kimball to be director of the United States Geological Survey; Estevan R. Lopez to be Commissioner of Reclamation; and Monica C. Regalbuto to be EPA Assistant Secretary of Energy for Environmental Management. 10:00 am , Dirksen 366.
- May. 13, Washington: 2014 ACEEE Energy Efficiency Finance Forum concludes. Sen. Jeanne Shaheen, Sen. Rob Portman to deliver luncheon speeches. 8:30 am , Capital Hilton.
- May. 13, Washington: EPA Administrator Gina McCarthy delivers keynote address to Association of Climate Change Officers climate forum. 8:30 am , Washington Marriott.



[Trouble seeing this email? Click here.](#)



To ensure you receive uninterrupted delivery, please add the address
energy@email.energyguardian.net to your email address book.

This email was sent to Coleman.sam@epa.gov by
energy@washingtonguardian.net

To unsubscribe from this newsletter please [Click Here](#)

© 2014, Packard Media Group LLC, all rights reserved | P.O. Box 9977 |
McLean, VA 22102
[Privacy Policy](#)